

# HOUSE BILL No. 1570

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-12-22.3; IC 27-1; IC 27-8; IC 27-13.

**Synopsis:** Funding for department of insurance. Establishes the insurance education scholarship fund (scholarship fund) to provide annual scholarships to certain students. Requires: (1) the state student assistance commission (SSACI) to administer the scholarship fund; (2) the commission for higher education to provide certain information concerning students studying insurance; and (3) each state educational institution to award scholarships and provide certain information. Annually appropriates money in the scholarship fund to SSACI. Provides for transfers of surplus funds from the department of insurance fund (insurance fund) to the scholarship fund, at the discretion of the commissioner of the department of insurance (commissioner). Deposits various insurance filing fees into the insurance fund rather than the state general fund. Increases the internal audit fee for domestic and foreign insurers and health maintenance organizations to \$1,000. Increases the internal audit fee of other entities from \$100 to \$250. Provides that each policy, rider, or endorsement filed with the state constitutes an individual filing for purposes of the \$35 product filing fee. Imposes a \$1,000 cap per filing per insurer for product filing fees. Authorizes the commissioner to issue certificates suitable for framing to insurance producers. Provides that insurance producer and limited lines producer license renewal fees are due every two years rather than every four years. Removes the requirement that resident surplus lines producers file a bond with the commissioner. Provides for the deposit of fees paid to the commissioner by health maintenance organizations into the insurance fund.

**Effective:** July 1, 2007.

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January 23, 2007, read first time and referred to Committee on Insurance.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## HOUSE BILL No. 1570

A BILL FOR AN ACT to amend the Indiana Code concerning insurance and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-12-22.3 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2007]:  
4 **Chapter 22.3. Insurance Education Scholarship Fund**  
5 **Sec. 1. As used in this chapter, "commission" refers to the state**  
6 **student assistance commission established by IC 20-12-21-4.**  
7 **Sec. 2. As used in this chapter, "fund" refers to the insurance**  
8 **education scholarship fund established by section 5 of this chapter.**  
9 **Sec. 3. As used in this chapter, "insurance student" means a**  
10 **student who studies or intends to study:**  
11 **(1) insurance; or**  
12 **(2) business with an emphasis on insurance.**  
13 **Sec. 4. As used in this chapter, "state educational institution" has**  
14 **the meaning set forth in IC 20-12-0.5-1.**  
15 **Sec. 5. (a) The insurance education scholarship fund is**  
16 **established to encourage and promote qualified individuals to**  
17 **pursue a career in insurance in Indiana.**

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(b) The fund consists of the following:

(1) Appropriations by the general assembly.

(2) Transfers from the department of insurance fund under IC 27-1-3-28(a)(5).

(3) Gifts to the fund.

Sec. 6. (a) The commission shall administer the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from the investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) There is annually appropriated to the commission all money in the fund to carry out the purposes of this chapter.

Sec. 7. (a) The money in the fund shall be used to provide annual scholarships to insurance students who qualify under section 9 of this chapter. The commission shall determine the amount of money to be allocated from the fund for scholarships under this chapter.

(b) A scholarship awarded under this chapter may be used only for the payment of tuition or fees that are:

(1) approved by the state educational institution that awards the scholarship; and

(2) not otherwise payable under any other scholarship or form of financial assistance specifically designated for tuition or fees.

(c) Subject to section 8(c) of this chapter, each scholarship awarded under this chapter is renewable under section 9 of this chapter for a total number of terms that does not exceed eight (8) full-time semesters (or the equivalent) or twelve (12) full-time quarters (or the equivalent).

Sec. 8. (a) The commission for higher education shall provide the commission with the most recent information concerning the number of insurance students at each state educational institution.

(b) The commission shall allocate the available money from the fund to each state educational institution that has:

(1) an insurance program; or

(2) a business program with an emphasis on insurance;

in proportion to the number of insurance students enrolled at each state educational institution based upon the information received by the commission under subsection (a).

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(c) Each state educational institution shall determine which of the state educational institution's insurance students who apply qualify under section 9 of this chapter. In addition, the state educational institution shall consider the need of the applicant when awarding scholarships under this chapter.

(d) The state educational institution may not grant a scholarship renewal to an insurance student for an academic year that ends later than six (6) years after the date on which the insurance student received the insurance student's initial scholarship under this chapter.

(e) Any funds that:

(1) are allocated to a state educational institution under section 8(b) of this chapter; and

(2) are not used for scholarships under this chapter; shall be returned to the commission for reallocation by the commission to any other eligible state educational institution in need of additional funds.

**Sec. 9.** To qualify for a scholarship or a scholarship renewal from the fund, an insurance student must:

(1) be admitted to an approved state educational institution as a full-time or part-time insurance student; and

(2) meet the qualifications established by the commission under section 11 of this chapter.

**Sec. 10. (a)** The commission shall maintain complete and accurate records in administering the fund, including records concerning the scholarships awarded under this chapter.

**(b)** Each state educational institution shall provide the commission with information concerning the following:

(1) The awarding of scholarships under this chapter.

(2) The academic progress made by each recipient of a scholarship under this chapter.

(3) Other pertinent information requested by the commission.

**Sec. 11. (a)** The commission shall establish qualifications for recipients of scholarships and scholarship renewals under this chapter under rules adopted under subsection (b).

**(b)** The commission shall adopt rules under IC 4-22-2 necessary to carry out this chapter.

**SECTION 2.** IC 27-1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. (a) Except as provided in subsection (g), the commissioner shall collect the following filing fees:

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| 1  | Articles of incorporation  | \$ 350            |
| 2  | Amendment of articles of   |                   |
| 3  | incorporation  | \$ 10             |
| 4  | Filing of annual statement   |                   |
| 5  | and consolidated statement   | \$ 100            |
| 6  | Annual renewal of company license  |                   |
| 7  | fee  | \$ 50             |
| 8  | Withdrawal of certificate  |                   |
| 9  | of authority   | \$ 25             |
| 10 | Certified statement of condition   | \$ 5              |
| 11 | Any other document required to be  |                   |
| 12 | filed by this article  | \$ 25             |
| 13 | <b>The commissioner shall deposit fees collected under this subsection</b>                   |                   |
| 14 | <b>into the department of insurance fund established by IC 27-1-3-28.</b>                    |                   |
| 15 | (b) The commissioner shall collect a fee of ten dollars (\$10) each                          |                   |
| 16 | time process is served on the commissioner under this title.                                 |                   |
| 17 | (c) The commissioner shall collect the following fees for copying                            |                   |
| 18 | and certifying the copy of any filed document relating to a domestic or                      |                   |
| 19 | foreign corporation:   |                   |
| 20 | Per page for copying   | As determined by  |
| 21 |  | the commissioner  |
| 22 |  | but not to exceed |
| 23 |  | actual cost       |
| 24 | For the certificate  | \$10              |
| 25 | (d) Each domestic and foreign insurer <b>and each health</b>                                 |                   |
| 26 | <b>maintenance organization</b> shall remit annually to the commissioner                     |                   |
| 27 | for deposit into the department of insurance fund established by                             |                   |
| 28 | <del>IC 27-1-3-28</del> <b>section 28 of this chapter one</b>                                |                   |
| 29 | <b>thousand</b> dollars <del>(\$350)</del> <b>(\$1,000)</b> as an internal audit fee. All    |                   |
| 30 | assessment insurers, farm mutuals, <b>and</b> fraternal benefit societies <b>and</b>         |                   |
| 31 | <b>health maintenance organizations</b> shall remit to the commissioner for                  |                   |
| 32 | deposit into the department of insurance fund <del>one</del> <b>two</b> hundred <b>fifty</b> |                   |
| 33 | dollars <del>(\$100)</del> <b>(\$250)</b> annually as an internal audit fee.                 |                   |
| 34 | (e) Beginning July 1, 1994, each insurer shall remit to the                                  |                   |
| 35 | commissioner for deposit into the department of insurance fund                               |                   |
| 36 | established by <del>IC 27-1-3-28</del> <b>section 28 of this chapter</b> a fee of            |                   |
| 37 | thirty-five dollars (\$35) for each policy, rider, and endorsement filed                     |                   |
| 38 | with the state. <b>Each policy, rider, or endorsement filed as part of a</b>                 |                   |
| 39 | <b>particular product filing and associated with that product filing is</b>                  |                   |
| 40 | <b>an individual filing subject to the fee under this subsection.</b>                        |                   |
| 41 | However, <del>each policy, rider, and endorsement filed as part of a</del>                   |                   |
| 42 | <del>particular product filing and associated with that product filing shall be</del>        |                   |

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considered to be a single filing and subject only to one (1) thirty-five dollar (\$35) fee. **the total amount of fees paid under this subsection by each insurer for a particular product filing may not exceed one thousand dollars (\$1,000).**

(f) The commissioner shall pay into the state general fund by the end of each calendar month the amounts collected during that month under subsections ~~(a)~~, (b) and (c).

(g) The commissioner may not collect fees for quarterly statements filed under IC 27-1-20-33.

(h) The commissioner may adopt rules under IC 4-22-2 to provide for the accrual and quarterly billing of fees under this section.

SECTION 3. IC 27-1-3-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 28. (a) The department of insurance fund is established for the following purposes:

(1) To provide supplemental funding for the operations of the department of insurance.

(2) To pay the costs of hiring and employing staff.

(3) To provide staff salary differentials as necessary to equalize the average salaries and staffing levels of the department of insurance with the average salaries and staffing levels reported in the most recent Insurance Department Resources Report published by the National Association of Insurance Commissioners.

(4) To enable the department of insurance to maintain accreditation by the National Association of Insurance Commissioners.

**(5) To provide for transfers, at the discretion of the commissioner, of any amount of a surplus remaining in the fund at the end of a fiscal year to the insurance education scholarship fund established by IC 20-12-22.3-5.**

**(6) To carry out any other purpose determined necessary by the department of insurance to carry out the department's duties under this title.**

(b) The fund shall be administered by the commissioner. The following shall be deposited in the department of insurance fund:

(1) Audit fees remitted by insurers to the commissioner under ~~IC 27-1-3-15(d)~~: **section 15(d) of this chapter.**

(2) Filing fees remitted by insurers to the commissioner under ~~IC 27-1-3-15(e)~~: **section 15(a) or 15(e) of this chapter.**

(3) Any other amounts remitted to the commissioner or the department that are required by rule or statute to be deposited into the department of insurance fund.

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(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a particular fiscal year does not revert to the state general fund.

(f) There is annually appropriated to the department of insurance, for the purposes set forth in subsection (a), the entire amount of money deposited in the fund in each year.

SECTION 4. IC 27-1-15.6-7.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 7.3. (a) The commissioner may design or have designed an insurance producer certificate suitable for framing and display.**

**(b) Upon request of an insurance producer, the commissioner may issue a certificate described in subsection (a).**

**(c) The commissioner may impose and collect a reasonable fee for a certificate issued under subsection (b). The commissioner shall deposit fees collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

**(d) The commissioner shall establish guidelines to implement this section.**

SECTION 5. IC 27-1-15.6-24.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 24.1. A licensed insurance producer may charge a reasonable fee for personal lines property and casualty insurance or services related to personal lines property and casualty insurance subject to the following requirements:**

**(1) The amount of a fee and the basis for calculating a fee may not vary among personal lines insureds.**

**(2) The amount of a fee is subject to the approval of the commissioner.**

SECTION 6. IC 27-1-15.6-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 32. (a) The department shall adopt rules under IC 4-22-2 to set fees for licensure under this chapter, IC 27-1-15.7, and IC 27-1-15.8.**

**(b) Insurance producer and limited lines producer license renewal fees are due every ~~four (4)~~ two (2) years. The fee charged by the department every ~~four (4)~~ two (2) years for a:**

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1 (1) resident license is forty dollars (\$40); and  
 2 (2) nonresident license is ninety dollars (\$90).  
 3 (c) Consultant renewal fees are due every twenty-four (24) months.  
 4 (d) Surplus lines producer renewal fees are due ~~annually~~; **every two**  
 5 **(2) years. The fee charged by the department every two (2) years**  
 6 **for a:**

7 (1) **resident license is eighty dollars (\$80); and**  
 8 (2) **nonresident license is one hundred twenty dollars (\$120).**  
 9 (e) The commissioner may issue a duplicate license for any license  
 10 issued under this chapter. The fee charged by the commissioner for the  
 11 issuance of a duplicate:

12 (1) insurance producer license;  
 13 (2) surplus lines producer license;  
 14 (3) limited lines producer license; or  
 15 (4) consultant license;  
 16 may not exceed ten dollars (\$10).

17 (f) **A fee charged and collected under this section shall be**  
 18 **deposited into the department of insurance fund established by**  
 19 **IC 27-1-3-28.**

20 SECTION 7. IC 27-1-15.8-4 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) ~~During the period~~  
 22 ~~that a resident surplus lines producer's license is in effect, the licensee~~  
 23 ~~shall keep in force a bond in the penal sum of not less than twenty~~  
 24 ~~thousand dollars (\$20,000) with an authorized corporate surety~~  
 25 ~~approved by the commissioner. The aggregate liability of the surety for~~  
 26 ~~any and all claims on a bond does not exceed the penal sum of the~~  
 27 ~~bond. A bond may not be terminated unless written notice of~~  
 28 ~~termination is provided by the surety to the licensee and the~~  
 29 ~~commissioner not less than thirty (30) days before termination. Upon~~  
 30 ~~termination of a resident license for which a bond was in effect, the~~  
 31 ~~commissioner shall notify the surety of the termination within ten (10)~~  
 32 ~~business days. All surety protection under this section inures to the~~  
 33 ~~benefit of the state of Indiana to assure the payment of all premium~~  
 34 ~~taxes.~~

35 (b) ~~A resident surplus lines producer shall, at the time of an initial~~  
 36 ~~filing under subsection (c), file with the commissioner proof of the~~  
 37 ~~bond in the amount required under subsection (a). In each subsequent~~  
 38 ~~calendar year, the resident surplus lines producer shall file proof that~~  
 39 ~~the bond remains in effect. A subsequent filing under this subsection~~  
 40 ~~shall be made in conjunction with the annual filing required under~~  
 41 ~~subsection (c).~~

42 (c) ~~(a)~~ In addition to all other charges, fees, and taxes that may be

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imposed by law, a surplus lines producer licensed under this chapter shall, on or before February 1 and August 1 of each year, collect from the insured and remit to the department for the use and benefit of the state of Indiana an amount equal to two and one-half percent (2 1/2%) of all gross premiums upon all policies and contracts procured by the surplus lines producer under the provisions of this section during the preceding six (6) month period ending December 31 and June 30, respectively. The declarations page of a policy referred to in this subsection must itemize the amounts of all charges for taxes, fees, and premiums.

~~(d)~~ (b) A licensed surplus lines producer shall execute and file with the department of insurance on or before the twentieth day of each month an affidavit that specifies all transactions, policies, and contracts procured during the preceding calendar month, including:

(1) the description and location of the insured property or risk and the name of the insured;

(2) the gross premiums charged in the policy or contract;

(3) the name and home office address of the insurer whose policy or contract is issued, and the kind of insurance effected; and

(4) a statement that:

(A) the licensee, after diligent effort, was unable to procure from any insurer authorized to transact the particular class of insurance business in Indiana the full amount of insurance required to protect the insured; and

(B) the insurance placed under this chapter is not placed for the purpose of procuring it at a premium rate lower than would be accepted by an insurer authorized and licensed to transact insurance business in Indiana.

~~(e)~~ (c) A licensed surplus lines producer shall file with the department, not later than March 31 of each year, the financial statement, dated as of December 31 of the preceding year, of each unauthorized insurer from whom the surplus lines producer has procured a policy or contract. The insurance commissioner may, in the commissioner's discretion, after reviewing the financial statement of the unauthorized insurer, order the surplus lines producer to cancel an unauthorized insurer's policies and contracts if the commissioner is of the opinion that the financial statement or condition of the unauthorized insurer does not warrant continuance of the risk.

~~(f)~~ (d) A licensed surplus lines producer shall keep a separate account of all business transacted under this section. The account may be inspected at any time by the commissioner or the commissioner's deputy or examiner.

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~~(g)~~ (e) An insurer that issues a policy or contract to insure a risk under this section is considered to have appointed the commissioner as the insurer's attorney upon whom process may be served in Indiana in any suit, action, or proceeding based upon or arising out of the policy or contract.

~~(h)~~ (f) The commissioner may revoke or refuse to renew a surplus lines producer's license for failure to comply with this section.

~~(i)~~ (g) A surplus lines producer licensed under this chapter may accept and place policies or contracts authorized under this section for an insurance producer duly licensed in Indiana, and may compensate the insurance producer even though the insurance producer is not licensed under this chapter.

~~(j)~~ (h) If a surplus lines producer does not remit an amount due to the department within the time prescribed in subsection ~~(c)~~; (a), the commissioner shall assess the surplus lines producer a penalty of ten percent (10%) of the amount due. The commissioner shall assess a further penalty of an additional one percent (1%) of the amount due for each month or portion of a month that any amount due remains unpaid after the first month. Penalties assessed under this subsection are payable by the surplus lines producer and are not collectible from an insured.

SECTION 8. IC 27-1-25-12.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.2. (a) An administrator that:

- (1) performs the duties of an administrator in Indiana; and
- (2) does not hold a license issued under section 11.1 of this chapter;

shall obtain a nonresident administrator license under this section by filing a uniform application with the commissioner.

(b) Unless the commissioner verifies the nonresident administrator's home state license status through an electronic data base maintained by the NAIC or by an affiliate or a subsidiary of the NAIC, a uniform application filed under subsection (a) must be accompanied by a letter of certification from the nonresident administrator's home state, verifying that the nonresident administrator holds a resident administrator license in the home state.

(c) A nonresident administrator is not eligible for a nonresident administrator license under this section unless the nonresident administrator is licensed as a resident administrator in a home state that has a law or regulation that is substantially similar to this chapter.

(d) Except as provided in subsections (b) and (h), the commissioner shall issue a nonresident administrator license to a nonresident

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1 administrator that makes a filing under subsections (a) and (b) upon  
2 receipt of the filing.

3 (e) Unless a nonresident administrator is notified by the  
4 commissioner that the commissioner is able to verify the nonresident  
5 administrator's home state licensure through an electronic data base  
6 described in subsection (b), the nonresident administrator shall:

7 (1) on September 15 of each year, file a statement with the  
8 commissioner affirming that the nonresident administrator  
9 maintains a current license in the nonresident administrator's  
10 home state; and

11 (2) pay a filing fee as required by the commissioner.

12 **The commissioner shall collect a filing fee required under**  
13 **subdivision (2) and deposit the fee into the department of insurance**  
14 **fund established by IC 27-1-3-28.**

15 (f) A nonresident administrator that applies for licensure under this  
16 section shall:

17 (1) produce the accounts of the nonresident administrator;

18 (2) produce the records and files of the nonresident administrator  
19 for examination; and

20 (3) make the officers of the nonresident administrator available to  
21 provide information with respect to the affairs of the nonresident  
22 administrator;

23 when reasonably required by the commissioner.

24 (g) A nonresident administrator is not required to hold a nonresident  
25 administrator license in Indiana if the nonresident administrator's  
26 function in Indiana is limited to the administration of life, health, or  
27 annuity coverage for a total of not more than one hundred (100) Indiana  
28 residents.

29 (h) The commissioner may refuse to issue or may delay the issuance  
30 of a nonresident administrator license if the commissioner determines  
31 that:

32 (1) due to events occurring; or

33 (2) based on information obtained;

34 after the nonresident administrator's home state's licensure of the  
35 nonresident administrator, the nonresident administrator is unable to  
36 comply with this chapter or grounds exist for the home state's  
37 revocation or suspension of the nonresident administrator's home state  
38 license.

39 (i) If the commissioner makes a determination described in  
40 subsection (h), the commissioner:

41 (1) shall provide written notice of the determination to the  
42 insurance regulator of the nonresident administrator's home state;

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(2) may delay the issuance of a nonresident administrator license to the nonresident administrator until the commissioner determines that the nonresident administrator is able to comply with this chapter and that grounds do not exist for the home state's revocation or suspension of the nonresident administrator's home state license.

SECTION 9. IC 27-1-25-12.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 12.3. (a) An administrator that is licensed under section 11.1 of this chapter shall, not later than July 1 of each year unless the commissioner grants an extension of time for good cause, file a report for the previous calendar year that complies with the following:

(1) The report must contain financial information reflecting a positive net worth prepared in accordance with section 11.1(b)(4) of this chapter.

(2) The report must be in the form and contain matters prescribed by the commissioner.

(3) The report must be verified by at least two (2) officers of the administrator.

(4) The report must include the complete names and addresses of insurers with which the administrator had a written agreement during the preceding fiscal year.

(5) The report must be accompanied by a filing fee determined by the commissioner.

**The commissioner shall collect a filing fee paid under subdivision (5) and deposit the fee into the department of insurance fund established by IC 27-1-3-28.**

(b) The commissioner shall review a report filed under subsection (a) not later than September 1 of the year in which the report is filed. Upon completion of the review, the commissioner shall:

(1) issue a certification to the administrator:

(A) indicating that:

(i) the financial statement reflects a positive net worth; and

(ii) the administrator is currently licensed and in good standing; or

(B) noting deficiencies found in the report; or

(2) update an electronic data base that is maintained by the NAIC or by an affiliate or a subsidiary of the NAIC:

(A) indicating that the administrator is solvent and in compliance with this chapter; or

(B) noting deficiencies found in the report.

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SECTION 10. IC 27-8-16-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) A claim review agent may not conduct medical claims review concerning health care services delivered to an enrollee in Indiana unless the claim review agent holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a claim review agent must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the claim review agent.

(2) The name and telephone number of a person that the department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the claim review agent is capable of satisfying the minimum requirements set forth in section 7 of this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

**The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(d) The department shall set the amount of the application fee required by subsection (c) and section 6(a) of this chapter in the rules adopted under section 14 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out the department's responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a claim review agent that satisfies the requirements of this section.

SECTION 11. IC 27-8-16-5.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5.2. (a) A person may not act as a claim review consultant concerning health care services delivered to an enrollee in Indiana unless the person holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a person must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the person.

(2) The name and telephone number of a person that the

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department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the person is capable of satisfying the minimum requirements set forth in this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

**The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(d) The department shall set the amount of the application fee required by subsection (c) and section 6(a) of this chapter in the rules adopted under section 14 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out the department's responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a claim review consultant that satisfies the requirements of this section.

SECTION 12. IC 27-8-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. (a) To remain in effect, a certificate of registration issued under this chapter must be renewed on June 30 of each year. To obtain the renewal of a certificate of registration, a claim review agent or a claim review consultant must submit an application to the commissioner. The application must be accompanied by a registration fee in the amount set under section 5(d) of this chapter. **The commissioner shall deposit a registration fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(b) A certificate of registration issued under this chapter may not be transferred unless the department determines that the person to which the certificate of registration is to be transferred has satisfied the requirements of this chapter.

(c) If there is a material change in any of the information set forth in an application submitted under this chapter, the claim review agent or claim review consultant that submitted the application shall notify the department of the change in writing not more than thirty (30) days after the change.

SECTION 13. IC 27-8-17-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A utilization review agent may not conduct utilization review in Indiana unless the

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utilization review agent holds a certificate of registration issued by the department under this chapter.

(b) To obtain a certificate of registration under this chapter, a utilization review agent must submit to the department an application containing the following:

(1) The name, address, telephone number, and normal business hours of the utilization review agent.

(2) The name and telephone number of a person that the department may contact concerning the information in the application.

(3) Documentation necessary for the department to determine that the utilization review agent is capable of satisfying the minimum requirements set forth in section 11 of this chapter.

(c) An application submitted under this section must be:

(1) signed and verified by the applicant; and

(2) accompanied by an application fee in the amount established under subsection (d).

**The commissioner shall deposit an application fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(d) The department shall set the amount of the application fee required by subsection (c) and section 10(a) of this chapter in the rules adopted under section 20 of this chapter. The amount may not be more than is reasonably necessary to generate revenue sufficient to offset the costs incurred by the department in carrying out its responsibilities under this chapter.

(e) The department shall issue a certificate of registration to a utilization review agent that satisfies the requirements of this section.

SECTION 14. IC 27-8-17-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. (a) To remain in effect, a certificate of registration issued under this chapter must be renewed on June 30 of each year. To obtain the renewal of a certificate of registration, a utilization review agent must submit an application to the commissioner. The application must be accompanied by a registration fee in the amount set under section 9(d) of this chapter. **The commissioner shall deposit a registration fee collected under this subsection into the department of insurance fund established by IC 27-1-3-28.**

(b) A certificate of registration issued under this chapter may not be transferred unless the department determines that the entity to whom the certificate is to be transferred has satisfied the requirements of this chapter.

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(c) If there is a material change in any of the information set forth in an application submitted under this chapter, the utilization review agent that submitted the application shall notify the department of the change in writing within thirty (30) days after the change.

SECTION 15. IC 27-13-27-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Each health maintenance organization subject to this article shall pay to the commissioner **for deposit into the department of insurance fund established by IC 27-1-3-28** the following fees:

(1) Three hundred fifty dollars (\$350) for filing:

(A) an application for a certificate of authority; or

(B) an application for an amendment to a certificate of authority.

(2) Fifty dollars (\$50) for filing each annual report.

SECTION 16. IC 27-13-34-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. (a) A limited service health maintenance organization subject to this chapter shall pay to the commissioner **for deposit into the department of insurance fund established by IC 27-1-3-28** the following fees:

(1) For filing an application for a certificate of authority or an amendment to an application, three hundred fifty dollars (\$350).

(2) For filing each annual report, fifty dollars (\$50).

(b) In addition to the fees required by subsection (a), a limited service health maintenance organization subject to this chapter must pay the fees required by IC 27-1-3-15.

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